

Resolution No.:	<u>17-373</u>
Introduced:	<u>March 20, 2012</u>
Adopted:	<u>March 27, 2012</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Implementation of Recommendations from the Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs

Background

1. On July 19, 2011, the County Council appointed the Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs. The membership included designees from the County and bi-County agencies, the bargaining units for these agencies, and public members. The Council asked the Task Force to address two major issues related to the provision of health care benefits to employees and retirees across the agencies: (1) employee wellness and disease prevention programs, and (2) consolidation of plan design and administration.
2. The Task Force presented its report to the Council on December 6, 2011. The Task Force told the Council that County and bi-County agencies provide health care benefits to over 100,000 enrolled members when one counts employees, retirees, and dependents. The Task Force urged the Council to begin reviewing information on the total number of lives covered across all agencies and noted that this buying power should be able to be leveraged when procuring health care, both in terms of price and requiring improved quality and health outcomes.
3. The Task Force reported that 95% of the total health care costs for the agencies is for payment of claims. Generally, 80% of an organization's health care dollars are spent on 20% of the individuals covered and over 80% of health care dollars are spent on people with chronic conditions.
4. The Task Force provided the Council with information on organizations that have found ways to improve employee health and reduce the projected increase in the cost of health care. These include King County (Washington), Johnson & Johnson, Highmark Healthcare and Boeing. The Task Force also informed the Council about Maryland's P-3 Program that helped reduce the cost of diabetes care for participating employers. The Task Force provided information on consortiums and consolidated multi-agency health insurance programs in Monterey County (California), Baltimore County (Maryland), Tompkins County (New York), and the Employee Benefits Consortium of Ohio.

5. The Task Force made the following overarching recommendations:

- Implement a process to collect and analyze aggregate health care claims data for all employees, retirees, and dependents covered by all County and bi-County agencies' health insurance plans. This population currently totals over 100,000 enrolled members. Establish a focal point for analysis of health care costs to understand aggregate cost trends and cost drivers.
- Develop and promote a workplace culture that values employee wellness and encourages the partnering of employees, employers, and health care providers to improve health outcomes. Employees should take an active role in their health by partnering with their employer in managing and monitoring their health outcomes.
- Implement wellness and disease management programs based on best-practices, to include outcome measures related to better management of chronic conditions. Enhance current disease management programs to increase participation, make sure they are based on best practices, and have regular reporting on outcomes in order to improve the health of employees, spouses/partners, and dependents with one or more chronic diseases and reduce the number that develop chronic diseases in the future.
- Expand the conversation about disease management to include doctors, hospitals, and pharmacies. Explore value-based purchasing/contracting to expand the availability of care management models and reward outcomes.
- Recognize that there are no simple solutions to bending the health care cost curve downward. Improvements will take time, may require upfront investment, and will likely be incremental.

In addition, the Task Force offered specific recommendations regarding employee wellness and disease management programs. These include that each agency has a health and wellness workgroup consisting of represented and non-represented employees and employer representatives, each agency has an individual with primary responsibility for wellness programs, and a pilot program that uses value-based contracting and focuses on wellness and aggressive disease management. The Task Force also identified criteria for examining consolidation options and issues for further study that should be resolved before a specific consolidation proposal is considered.

6. The Health and Human Services (HHS) Committee and Government Operations and Fiscal Policy (GO) Committee held a joint worksession on the Task Force Report on February 9, 2012. The joint Committee agreed on a set of first steps to move forward with the implementation of the Task Force recommendations. The joint Committee further agreed that these recommendations should be forwarded to the full Council and, if approved, sent to the County and bi-County agencies both to obtain additional information on current programs and to provide guidance on the Council's expectations regarding improving the health and wellness of County and bi-County employees, retirees, and their dependents.

Action

The County Council for Montgomery County, Maryland, approves the following action:

As stated in Resolution 17-107, which established the Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs, access to affordable health care for all employees and all residents of Montgomery County is a primary goal of the Council.

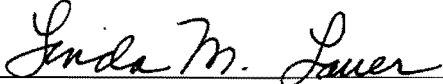
The Council strives to improve the health of all residents of Montgomery County and believes that health care plans should not just focus on how an employee's health care costs are paid for but how health plans and programs can be used to improve the health and well-being of employees, retirees, and dependents. Experts have told the Council that the cost of providing health care can also be reduced by increasing wellness, which will decrease the dollars needed for treatment and medications.

The Council endorses the following as first steps to implement the recommendations of the Task Force to develop and/or enhance outcomes-based employee wellness and disease management programs and to collect and analyze cross-agency data on major health issues, health trends, and costs.

1. The Council should request and receive information from each agency on current resources that are allocated to employee wellness and health promotion programs including:
 - (a) whether the agency has a person who has primary responsibility for developing and implementing wellness programs;
 - (b) whether the agency has an employee-employer health and wellness committee that meets regularly;
 - (c) how often the agency communicates with employees and retirees about wellness opportunities and how this information is provided (electronically, by mail, etc.);
 - (d) whether the agency's programs have goals and outcomes that are measured;
 - (e) whether the agency has reviewed and/or incorporated national standards and best practices (such as those from the National Council on Quality Assurance); and,
 - (f) the estimated annual cost of employee wellness programs and the source of funding.
2. As a part of the contracting process, the agencies should seek health plan providers that:
 - (a) can provide specific strategies that address the top cost-drivers in health spending by the agencies;
 - (b) use principles associated with patient-centered medical homes;
 - (c) can provide data to the agencies that will allow for evaluation of health care outcomes for enrolled members;
 - (d) include disease management programs that are based on best practices for patient support; and,
 - (e) address how incentive payments might be used to improve outcomes.
3. The contracting process should allow health plan providers and other outside vendors an opportunity to bid on disease management programs.

4. As part of the contracting process, the agencies should also explore whether having a single provider for a specific type of health plan (such as point-of-service, preferred provider organization, health maintenance organization) for all the agencies would reduce costs across all the agencies while continuing to provide appropriate access to health care.
5. An executive-level report should be developed that provides information across all agencies on the major health issues for all enrolled members, top categories for spending on health claims, and trends that will show whether health risk measures are improving or declining. Council staff and Office of Legislative Oversight staff will work with the agencies to develop such a report. The report will be provided to the Council, County Executive, Board of Education, Planning Commission, College Board of Trustees, and WSSC Commissioners. Because the report will be a public document, data will be aggregated so as not to include protected information.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council